

<i>SERFF Tracking Number:</i>	<i>PNMC-125917734</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Pennsylvania National Mutual Casualty Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>MMP08-073</i>		
<i>TOI:</i>	<i>20.0 Commercial Auto</i>	<i>Sub-TOI:</i>	<i>20.0003 Other</i>
<i>Product Name:</i>	<i>Auto 71 0619 0309</i>		
<i>Project Name/Number:</i>	<i>/</i>		

## Filing at a Glance

Company: Pennsylvania National Mutual Casualty Insurance Company

Product Name: Auto 71 0619 0309

SERFF Tr Num: PNMC-125917734 State: Arkansas

TOI: 20.0 Commercial Auto

SERFF Status: Closed

State Tr Num: EFT \$50

Sub-TOI: 20.0003 Other

Co Tr Num: MMP08-073

State Status: Fees verified and received

Filing Type: Form

Co Status:

Reviewer(s): Betty Montesi, Llyweyia Rawlins

Author: Marsheelah Preston

Disposition Date: 12/22/2008

Date Submitted: 12/19/2008

Disposition Status: Approved

Effective Date Requested (New): 03/01/2009

Effective Date (New): 03/01/2009

Effective Date Requested (Renewal): 03/01/2009

Effective Date (Renewal): 03/01/2009

State Filing Description:

## General Information

Project Name:

Status of Filing in Domicile: Authorized

Project Number:

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 12/22/2008

State Status Changed: 12/22/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

We are filing for your review and approval revised form 71 0619 0309, Employee Benefits Liability Endorsement.

Following are the changes:

1. Order of paragraphs are changed from:

<i>SERFF Tracking Number:</i>	<i>PNMC-125917734</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Pennsylvania National Mutual Casualty Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>MMP08-073</i>		
<i>TOI:</i>	<i>20.0 Commercial Auto</i>	<i>Sub-TOI:</i>	<i>20.0003 Other</i>
<i>Product Name:</i>	<i>Auto 71 0619 0309</i>		
<i>Project Name/Number:</i>	<i>/</i>		

Insuring Agreement, Who Is An Insured, Exclusions, Limits of Insurance, Deductible, Additional Definitions

to:

Insuring Agreement, Exclusions, Who Is An Insured, Limits Of Insurance, Deductible, Duties In The Event Of An Act, Error Or Omission, or "Claim" Or "Suit" (New added), Other Insurance (New Added), Additional Definitions

2. The following Exclusions were added:

Insufficiency of Funds, Available Benefits, Taxes, Fines or Penalties, Employment - Related Practices, and Inadequacy of Performance Of Investment/Advice Given With Respect to Participation

3. Definitions now match ISO's definitions on the 2007 edition date of employee benefits coverage.

4. Our endorsement continues to be an occurrence from and not claims made.

## Company and Contact

### Filing Contact Information

Marsheelah Preston, Senior Underwriting Technician	mpreston@pnat.com
2 N. Second St.	(717) 234-4941 [Phone]
Harrisburg, PA 17105-2361	(717) 255-6327[FAX]

### Filing Company Information

Pennsylvania National Mutual Casualty Insurance Company	CoCode: 14990	State of Domicile: Pennsylvania
2 N. Second St.	Group Code: 271	Company Type: P&C
PO Box 2361		
Harrisburg, PA 17105-2361	Group Name: Penn National Insurance	State ID Number: 03
(717) 234-4941 ext. [Phone]	FEIN Number: 23-0961349	

<i>SERFF Tracking Number:</i>	<i>PNMC-125917734</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Pennsylvania National Mutual Casualty</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
	<i>Insurance Company</i>		
<i>Company Tracking Number:</i>	<i>MMP08-073</i>		
<i>TOI:</i>	<i>20.0 Commercial Auto</i>	<i>Sub-TOI:</i>	<i>20.0003 Other</i>
<i>Product Name:</i>	<i>Auto 71 0619 0309</i>		
<i>Project Name/Number:</i>	<i>/</i>		

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SERFF Tracking Number: PPMC-125917734 State: Arkansas  
Filing Company: Pennsylvania National Mutual Casualty Insurance Company State Tracking Number: EFT \$50  
Company Tracking Number: MMP08-073  
TOI: 20.0 Commercial Auto Sub-TOI: 20.0003 Other  
Product Name: Auto 71 0619 0309  
Project Name/Number: /

## Filing Fees

Fee Required? Yes  
Fee Amount: \$50.00  
Retaliatory? No  
Fee Explanation: \$50 per submission  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Pennsylvania National Mutual Casualty Insurance Company	\$50.00	12/19/2008	24639201

SERFF Tracking Number:	PNMC-125917734	State:	Arkansas
Filing Company:	Pennsylvania National Mutual Casualty Insurance Company	State Tracking Number:	EFT \$50
Company Tracking Number:	MMP08-073		
TOI:	20.0 Commercial Auto	Sub-TOI:	20.0003 Other
Product Name:	Auto 71 0619 0309		
Project Name/Number:	/		

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	12/22/2008	12/22/2008

<i>SERFF Tracking Number:</i>	<i>PNMC-125917734</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Pennsylvania National Mutual Casualty Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>MMP08-073</i>		
<i>TOI:</i>	<i>20.0 Commercial Auto</i>	<i>Sub-TOI:</i>	<i>20.0003 Other</i>
<i>Product Name:</i>	<i>Auto 71 0619 0309</i>		
<i>Project Name/Number:</i>	<i>/</i>		

## Disposition

Disposition Date: 12/22/2008  
Effective Date (New): 03/01/2009  
Effective Date (Renewal): 03/01/2009  
Status: Approved  
Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number:	PNMC-125917734	State:	Arkansas
Filing Company:	Pennsylvania National Mutual Casualty Insurance Company	State Tracking Number:	EFT \$50
Company Tracking Number:	MMP08-073		
TOI:	20.0 Commercial Auto	Sub-TOI:	20.0003 Other
Product Name:	Auto 71 0619 0309		
Project Name/Number:	/		

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	side by side	Approved	Yes
Form	Employee Benefits Liability Endorsement	Approved	Yes

SERFF Tracking Number: PPMC-125917734 State: Arkansas

Filing Company: Pennsylvania National Mutual Casualty Insurance Company State Tracking Number: EFT \$50

Company Tracking Number: MMP08-073

TOI: 20.0 Commercial Auto Sub-TOI: 20.0003 Other

Product Name: Auto 71 0619 0309

Project Name/Number: /

## Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Employee Benefits Liability Endorsement	71 0619	0309	Endorsement Replaced/Amendment/Conditions	Replaced Form #: 71 0619 1203 Previous Filing #: AR-PC-07-026429		710619-0309.pdf





**PENN NATIONAL  
INSURANCE**

Pennsylvania National Mutual Casualty Insurance Company  
Penn National Security Insurance Company  
P.O. Box 2361  
Harrisburg, PA 17105-2361

**EMPLOYEE BENEFITS LIABILITY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
BUSINESSOWNERS LIABILITY COVERAGE FORM  
GARAGE COVERAGE FORM**

**SCHEDULE**

<b>Limits of Insurance</b>				<b>Each Employee Deductible</b>
<b>Each Claim Limit</b>		<b>Aggregate Limit</b>		
<b>No. of Employees</b>	<b>Rate per No. of Employees</b>	<b>Advance Premium</b>	<b>Minimum Premium</b>	<b>Class Code</b>
				<b>96102</b>

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

**I. INSURING AGREEMENT**

A. We will pay those sums that the insured becomes legally obligated to pay as damages because of a "claim" or "suit" brought by any employee, former employee, or their beneficiaries or legal representatives in connection with any negligent act, error or omission, that arises from the "administration" of your "employee benefit program". We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result.

But:

- (1) The amount we will pay for damages is limited as described in Paragraph IV. Limits of Insurance; and

- (2) We may investigate and settle any "claim" or "suit" at our discretion; and

- (3) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

This insurance applies to acts, errors or omissions which first occur while this endorsement is in effect.

**II. EXCLUSIONS**

This insurance does not apply to:

- a. **Dishonest, Fraudulent, Criminal Or Malicious Act**  
Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.
- b. **Bodily Injury, Property Damage, Or "Personal Injury" and "Advertising Injury"**  
"Bodily injury", "property damage" or "personal and advertising injury".

**c. Failure To Perform A Contract**

Damages arising out of failure of performance of contract by any insurer,

**d. Insufficiency Of Funds**

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

**e. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation**

Any "claim" based upon:

1. Failure of any investment to perform;
2. Errors in providing information on past performance of investment vehicles; or
3. Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

**f. Workers' Compensation And Similar Laws**

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

**g. Termination of any "Employee Benefit Program"**

Any "claim" resulting from your termination of any "employee benefit plan".

**h. ERISA**

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, by any similar federal, state or local laws.

**i. Available Benefits**

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

**j. Taxes, Fines Or Penalties**

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

**k. Employment-Related Practices**

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

**l. Computers**

Any "claim" or "suit" arising directly or indirectly out of:

(1) Any actual or alleged failure, malfunction or inadequacy of any of the following, whether belonging to any insured or to others:

- (a) Computer hardware, including micro-processors;
- (b) Computer application software;
- (c) Computer operating systems and related software;
- (d) Computer networks;
- (e) Microprocessors (computer chips) not part of any computer system; or
- (f) Any other computerized or electronic equipment or components; or

(2) Any products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **l.(1)** of this endorsement

due to the inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond.

(3) Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **l.(1)** of this endorsement.

**III. WHO IS AN INSURED**

For the purposes of coverage provided by this endorsement, **The Who Is An Insured** section is deleted and replaced by the following:

**A. If you are designated in the Declarations as:**

- (1) An individual, you and your spouse are insureds, but only with respects to the conduct of a business of which you are the sole owner.
- (2) A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- (3) A limited liability company, you are an insured. Your members, are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- (4) An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- (5) A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

**B. Each of the following is also an insured:**

- (1) Each of your "employees" and "volunteer workers" who are or were authorized to administer your "employee benefit program".
- (2) Any persons or organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.
- (3) Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this endorsement.

**C. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. However:**

- (1) Coverage under this provision is afforded only until the 90<sup>th</sup> day after you acquire or

form the organization or the end of the policy period, whichever is earlier.

- (2) Coverage under this provision does not apply to any act, error or omission that was committed before you acquired or formed the organization.

**IV. LIMITS OF INSURANCE**

- A. The Limits of Insurance shown in the Schedule of this endorsement and the rules below fix the most we will pay regardless of the number of:**
1. Insureds;
  2. "Claims" made or "suits" brought;
  3. Persons or organizations making "claims" or bringing "suits";
  4. Acts, errors or omissions; or
  5. Benefits included in your "Employee benefit program".
- B. The Each Claim Limit is the most we will pay for damages arising out of any one "claim" or "suit".**
- C. The Aggregate Limit is the most we will pay for the sum of all damages under this endorsement.**

The Limits of Insurance apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months.

In that case, the additional period will be deemed part of the last preceding period for the purposes of determining the Limits of Insurance.

**V. DEDUCTIBLE**

- A. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable to each "employee". The limits of insurance shall not be reduced by the amount of this deductible.**
- B. The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "Employee's" dependents and beneficiaries, because of all**

acts, errors or omissions to which this insurance applies.

**C. The terms of this insurance, including those with respect to:**

- (1) Our right and duty to defend any "suits" seeking those damages; and
- (2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or "claim".

apply irrespective of the application of the deductible amount.

**D. We may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.**

**VI. DUTIES IN THE EVENT OF AN ACT, ERROR OR OMISSION, OR "CLAIM" OR "SUIT" AND OTHER INSURANCE**

For the purposes of the coverage provided by this endorsement, under the **Condition** Section, the **Duties In The Event Of An Act, Error Or Omission, Or "Claim" Or "Suit" and Other Insurance** is deleted and replaced by the following:

- A. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:**
- (1) What the act, error or omission was and when it occurred; and
  - (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.
- B. If a "claim" is made or "suit" is brought against any insured, you must:**
- (1) Immediately record the specifics of the "claim" or "suit" and the date received; and
  - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.

**C. You and any other involved insured must:**

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
- (4) Assist us, upon request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.

**D. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.**

**VII. OTHER INSURANCE**

If other valid and collectible insurance is available to the insured for a loss we cover under this endorsement, our obligations are limited as follows:

**A. Primary Insurance**

This insurance is primary except when Paragraph B. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph C. below.

**B. Excess Insurance**

- (1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the effective date of this endorsement and that applies to an act, error or omission.
- (2) When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds

the sum of the total amount that all such other insurance would pay for the loss in absence of this insurance; and the total of all deductible and self insured amounts under all that other insurance.

- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Schedule of this endorsement.

### C. Method Of Sharing

If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limits of insurance to the total applicable limits of insurance of all insurers.

## VIII. ADDITIONAL DEFINITIONS

The following additional definitions are added to the Definitions section:

1. "Administration" means:

- a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
- b. Handling records in connection with the "employee benefit program".
- c. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".

However, "administration" does not include handling payroll deductions.

2. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.

- 3. "Claim" means any demand or "suit", made by an "Employee" or an "Employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.
- 4. "Employee benefit program" means a program providing some or all of the following benefits to "employees" whether provided through a "cafeteria plan" or otherwise:
  - a. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally to those "employees" who satisfy the plan's eligibility requirements;
  - b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans, employee and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
  - c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
  - d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and
  - e. Any other similar benefits designated in the Schedule or added thereto by endorsement.

For the purposes of the coverage provided by this endorsement the following definitions are applicable;

- a. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- b. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:

- (1) An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- (2) Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

<i>SERFF Tracking Number:</i>	<i>PNMC-125917734</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Pennsylvania National Mutual Casualty Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>MMP08-073</i>		
<i>TOI:</i>	<i>20.0 Commercial Auto</i>	<i>Sub-TOI:</i>	<i>20.0003 Other</i>
<i>Product Name:</i>	<i>Auto 71 0619 0309</i>		
<i>Project Name/Number:</i>	<i>/</i>		

## Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: PNMCI25917734 State: Arkansas  
Filing Company: Pennsylvania National Mutual Casualty Insurance Company State Tracking Number: EFT \$50  
Company Tracking Number: MMP08-073  
TOI: 20.0 Commercial Auto Sub-TOI: 20.0003 Other  
Product Name: Auto 71 0619 0309  
Project Name/Number: /

## Supporting Document Schedules

<b>Satisfied -Name:</b>	Uniform Transmittal Document-Property & Casualty	<b>Review Status:</b>	Approved	12/22/2008
<b>Comments:</b>				
<b>Attachment:</b>				
ARtrans08-073.pdf				

<b>Satisfied -Name:</b>	side by side	<b>Review Status:</b>	Approved	12/22/2008
<b>Comments:</b>				
<b>Attachment:</b>				
7106191203and0309marked.pdf				



## Property &amp; Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b>	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
h. Subject Codes		

<b>3. Group Name</b>					<b>Group NAIC #</b>
<b>4. Company Name(s)</b>	<b>Domicile</b>	<b>NAIC #</b>	<b>FEIN #</b>	<b>State #</b>	

<b>5. Company Tracking Number</b>	
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

<b>6. Name and address</b>	<b>Title</b>	<b>Telephone #s</b>	<b>FAX #</b>	<b>e-mail</b>
<b>7. Signature of authorized filer</b>				
<b>8. Please print name of authorized filer</b>				

Filing information (see General Instructions for descriptions of these fields)

<b>9. Type of Insurance (TOI)</b>				
<b>10. Sub-Type of Insurance (Sub-TOI)</b>				
<b>11. State Specific Product code(s)(if applicable)[See State Specific Requirements]</b>				
<b>12. Company Program Title (Marketing title)</b>				
<b>13. Filing Type</b>	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)			
<b>14. Effective Date(s) Requested</b>	New:		Renewal:	
<b>15. Reference Filing?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No			
<b>16. Reference Organization (if applicable)</b>				
<b>17. Reference Organization # &amp; Title</b>				
<b>18. Company's Date of Filing</b>				
<b>19. Status of filing in domicile</b>	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved			

## Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	
21.	<b>Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]	

[illegible]

\*\*\*Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

**FORM FILING SCHEDULE**

(This form must be provided ONLY when making a filing that includes forms)

(Do not refer to the body of the filing for the forms listing, unless allowed by state.)

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>				
<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> (Company tracking number of rate/rule filing, if applicable)				
<b>3.</b>	<b>Form Name /Description/Synopsis</b>	<b>Form # Include edition date</b>	<b>Replacement Or withdrawn?</b>	<b>If replacement, give form # it replaces</b>	<b>Previous state filing number, if required by state</b>
01			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

PC FFS-1



# PENN NATIONAL INSURANCE

Pennsylvania National Mutual Casualty Insurance Company  
Penn National Security Insurance Company  
P. O. Box 3464  
Harrisburg PA 17105-2361

## EMPLOYEE BENEFITS LIABILITY ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
BUSINESSOWNERS LIABILITY COVERAGE FORM  
GARAGE COVERAGE FORM

### SCHEDULE

#### Limits Of Insurance

Each Claim Limit \_\_\_\_\_

Aggregate Limit \_\_\_\_\_

Deductible \_\_\_\_\_

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

#### INSURING AGREEMENT

We will pay ~~under this endorsement~~ those sums that the "insured" becomes legally obligated to pay as damages because of a claim or "suit" brought by any "employee", former "employee", or their beneficiaries or legal representatives in connection with any negligent act, error or omission that arises from the "administration" of your "employee benefits" programs.

We will have the right and duty to defend any "suit" seeking those damages. But:

The amount we will pay for damages is limited as described in ~~the Schedule as Limits of Insurance;~~

We may investigate and settle any claim or "suit" at our discretion; and

Our right and duty to defend end when we have used up the applicable Limit Of Insurance in the payment of judgements or settlements ~~under this endorsement.~~

This insurance applies to acts, errors or omissions which first occur while this endorsement is in effect.

#### Who Is An Insured

~~With respect to this endorsement, the Who Is An Insured section is modified to include "employees" only while authorized to act in the administration of your "employee benefits" programs.~~

#### Exclusions

~~Insurance under this endorsement does not apply to any claim or "suit" arising out of:~~

- ~~a. Any dishonest, fraudulent, criminal or malicious act;~~
- ~~b. Any "bodily injury", "property damage", "advertising injury" or "personal injury";~~
- ~~c. Any claim for failure of performance of contract by any "insured";~~

- ~~d. Any obligation of the "insured" under a workers' compensation, Social Security or disability benefits, or unemployment compensation or similar law;~~
- ~~e. Any failure of stock to perform as represented by you;~~
- ~~f. Any advice given by you to your "employees" to participate or not to participate in stock subscription plans;~~
- ~~g. Any claim resulting from the termination of any "employee benefit plan"; or~~
- ~~h. Any actual or alleged error or omission or breach of duty, committed or alleged to have been committed by a trustee or administrator, in the discharge of fiduciary duties, obligations or responsibilities imposed by the Federal Employee Retirement Income Security Act of 1974 or Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985 (Public Law 99-272) or Section 9319 of the Omnibus Budget Reconciliation Act of 1986 (Public Law 99-509) or any amendments to these Acts.~~
- ~~i. Any claim or "suit" arising directly or indirectly out of:~~
- ~~(1) Any actual or alleged failure, malfunction or inadequacy of:~~
- ~~a. Any of the following, whether belonging to any "insured" or to others:~~
- ~~(a) Computer hardware, including microprocessors;~~
- ~~(b) Computer application software;~~
- ~~(c) Computer operating systems and related software;~~
- ~~(d) Computer networks;~~
- ~~(e) Microprocessors (computer chips) not part of any computer systems; or~~
- ~~(f) Any other computerized or electronic equipment or components; or~~
- ~~(2) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph i.a.(1) of this endorsement due to the inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond.~~
- ~~a. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph i.a. of this endorsement.~~

### Limits Of Insurance

The Limits Of Insurance shown in the Schedule of this endorsement and the rules below fix the most we will pay regardless of the number of "insureds", claims made or "suits" brought, ~~or~~ persons or organizations making claims or bringing "suits".

The Each Claim Limit is the most we will pay for damages arising out of any one claim or "suit".

The Aggregate Limit is the most we will pay for the sum of all damages under this endorsement.

The Limits Of Insurance apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for the purposes of determining the Limits Of Insurance.

## Deductible

~~In the event of a claim, the deductible shown in the schedule of this endorsement shall be subtracted from the total amount resulting from each claim. We will pay covered claims over the amount of the deductible, up to the Limit Of Insurance.~~

~~To settle a claim or "suit", we may pay all or part of the deductible. If we do, then you agree to repay us as soon as we notify you of the settlement.~~

## ADDITIONAL DEFINITIONS

The following additional definitions are added ~~SECTION VI DEFINITIONS~~

- ~~a. "Employee benefits" means group life insurance, group accident or health insurance, profit sharing plans, pension plans, "employee" stock subscription plans, "employee" travel, vacation, or saving plans, workers' compensation, unemployment insurance, Social Security and disability benefits insurance, and any other similar benefit program.~~
- ~~b. "Administration" the unqualified word "administration" whenever used, shall mean:~~
- ~~(1) Giving counsel to "employees" with respect to "employee benefits" programs;~~
  - ~~(2) Interpreting "employee benefit" programs;~~
  - ~~(3) Handling of records in connection with "employee benefit" programs;~~
  - ~~(4) Effecting enrollment of "employees" under "employee benefit" programs provided all such acts are authorized by the named "insured".~~



**PENN NATIONAL  
INSURANCE**

Pennsylvania National Mutual Casualty Insurance Company  
Penn National Security Insurance Company  
P.O. Box 2361  
Harrisburg, PA 17105-2361

**EMPLOYEE BENEFITS LIABILITY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
BUSINESSOWNERS LIABILITY COVERAGE FORM  
GARAGE COVERAGE FORM**

**SCHEDULE**

Limits of Insurance				Each Employee Deductible
Each Claim Limit	Aggregate Limit			
No. of Employees	Rate per No. of Employees	Advance Premium	Minimum Premium	Class Code
				96102

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

**I. INSURING AGREEMENT**

A. We will pay those sums that the insured becomes legally obligated to pay as damages because of a "claim" or "suit" brought by any employee, former employee, or their beneficiaries or legal representatives in connection with any negligent act, error or omission, that arises from the "administration" of your "employee benefit program". We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result.

But:

- (1) The amount we will pay for damages is limited as described in Paragraph IV. Limits of Insurance; and

- (2) We may investigate and settle any "claim" or "suit" at our discretion; and

- (3) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

This insurance applies to acts, errors or omissions which first occur while this endorsement is in effect.

**II. EXCLUSIONS**

This insurance does not apply to:

**a. Dishonest, Fraudulent, Criminal Or Malicious Act**

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

**b. Bodily Injury, Property Damage, Or "Personal Injury" and "Advertising Injury"**  
"Bodily injury", "property damage" or "personal and advertising injury".

**c. Failure To Perform A Contract**

Damages arising out of failure of performance of contract by any insurer,

**d. Insufficiency Of Funds**

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

**e. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation**

Any "claim" based upon:

1. Failure of any investment to perform;
2. Errors in providing information on past performance of investment vehicles; or
3. Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

**f. Workers' Compensation And Similar Laws**

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

**g. Termination of any "Employee Benefit Program"**

Any "claim" resulting from your termination of any "employee benefit plan".

**h. ERISA**

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, by any similar federal, state or local laws.

**i. Available Benefits**

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

**j. Taxes, Fines Or Penalties**

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

**k. Employment-Related Practices**

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

**l. Computers**

Any "claim" or "suit" arising directly or indirectly out of:

(1) Any actual or alleged failure, malfunction or inadequacy of any of the following, whether belonging to any insured or to others:

- (a) Computer hardware, including micro-processors;
- (b) Computer application software;
- (c) Computer operating systems and related software;
- (d) Computer networks;
- (e) Microprocessors (computer chips) not part of any computer system; or
- (f) Any other computerized or electronic equipment or components; or

(2) Any products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph l.(1) of this endorsement

due to the inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond.

(3) Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph l.(1) of this endorsement.

**III. WHO IS AN INSURED**

For the purposes of coverage provided by this endorsement, **The Who Is An Insured** section is deleted and replaced by the following:



A. If you are designated in the Declarations as:

- (1) An individual, you and your spouse are insureds, but only with respects to the conduct of a business of which you are the sole owner.
- (2) A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- (3) A limited liability company, you are an insured. Your members, are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- (4) An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- (5) A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

B. Each of the following is also an insured:

- (1) Each or your "employees" and "volunteer workers" who are or were authorized to administer your "employee benefit program".
- (2) Any persons or organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.
- (3) Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this endorsement.

C. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. However:

- (1) Coverage under this provision is afforded only until the 90<sup>th</sup> day after you acquire or

form the organization or the end of the policy period, whichever is earlier.

- (2) Coverage under this provision does not apply to any act, error or omission that was committed before you acquired or formed the organization.

IV. LIMITS OF INSURANCE

A. The Limits of Insurance shown in the Schedule of this endorsement and the rules below fix the most we will pay regardless of the number of:

1. Insureds;
2. "Claims" made or "suits" brought;
3. Persons or organizations making "claims" or bringing "suits";
4. Acts, errors or omissions; or
5. Benefits included in your "Employee benefit program".

B. The Each Claim Limit is the most we will pay for damages arising out of any one "claim" or "suit".

C. The Aggregate Limit is the most we will pay for the sum of all damages under this endorsement.

The Limits of Insurance apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months.

In that case, the additional period will be deemed part of the last preceding period for the purposes of determining the Limits of Insurance.

V. DEDUCTIBLE

A. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable to each "employee". The limits of insurance shall not be reduced by the amount of this deductible.

B. The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "Employee's" dependents and beneficiaries, because of all

acts, errors or omissions to which this insurance applies.

C. The terms of this insurance, including those with respect to:

- (1) Our right and duty to defend any "suits" seeking those damages; and
- (2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or "claim".

apply irrespective of the application of the deductible amount.

D. We may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.

**VI. DUTIES IN THE EVENT OF AN ACT, ERROR OR OMISSION, OR "CLAIM" OR "SUIT" AND OTHER INSURANCE**

For the purposes of the coverage provided by this endorsement, under the Condition Section, the Duties In The Event Of An Act, Error Or Omission, Or "Claim" Or "Suit" and Other Insurance is deleted and replaced by the following:

A. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:

- (1) What the act, error or omission was and when it occurred; and
- (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

B. If a "claim" is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the "claim" or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.

C. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
- (4) Assist us, upon request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.

D. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

**VII. OTHER INSURANCE**

If other valid and collectible insurance is available to the insured for a loss we cover under this endorsement, our obligations are limited as follows:

**A. Primary Insurance**

This insurance is primary except when Paragraph B. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph C. below.

**B. Excess Insurance**

- (1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the effective date of this endorsement and that applies to an act, error or omission.
- (2) When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds

the sum of the total amount that all such other insurance would pay for the loss in absence of this insurance; and the total of all deductible and self insured amounts under all that other insurance.

- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Schedule of this endorsement.

### C. Method Of Sharing

If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limits of insurance to the total applicable limits of insurance of all insurers.

## VIII. ADDITIONAL DEFINITIONS

The following additional definitions are added to the Definitions section:

### 1. "Administration" means:

- a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
- b. Handling records in connection with the "employee benefit program".
- c. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".

However, "administration" does not include handling payroll deductions.

### 2. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.

### 3. "Claim" means any demand or "suit", made by an "Employee" or an "Employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.

### 4. "Employee benefit program" means a program providing some or all of the following benefits to "employees" whether provided through a "cafeteria plan" or otherwise:

- a. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally to those "employees" who satisfy the plan's eligibility requirements;
- b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans, employee and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
- c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
- d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and
- e. Any other similar benefits designated in the Schedule or added thereto by endorsement.

For the purposes of the coverage provided by this endorsement the following definitions are applicable:

- a. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- b. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:

- (1) An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- (2) Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.